

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE NEW ORIENTAL EDUCATION &
TECHNOLOGY GROUP SECURITIES
LITIGATION

Civil Action No. 12-cv-05724-JGK

**NOTICE OF (I) PROPOSED SETTLEMENT OF CLASS ACTION, (II) HEARING ON
PROPOSED SETTLEMENT, AND (III) DEADLINE TO SUBMIT PROOFS OF CLAIM**

If you purchased or otherwise acquired New Oriental Education & Technology Group, Inc. American Depositary Shares between October 19, 2009 and July 17, 2012, inclusive, you might be a member of the Settlement Class in this action entitling you to a payment in connection with a settlement of the Action.

A federal court authorized this Notice. This is not a solicitation from a lawyer.

- This Notice relates to a securities class action brought by investors who claim that the prices of New Oriental Education & Technology Group, Inc. (“New Oriental”) American Depositary Shares (“ADS”) were artificially inflated as a result of false statements, non-disclosures, and fraudulent conduct in violation of the federal securities laws.
- On June 9, 2014, the Court preliminarily approved a settlement of this class action (the “Settlement”). This Settlement is with Defendants New Oriental and Louis T. Hsieh, (together with Michael Minhong Yu, the “Defendants”).
- The Settlement provides that New Oriental will cause \$4,500,000 to be paid to the Class. After payment of attorneys’ fees, costs and expenses, the settlement proceeds will be distributed to investors who are members of the Class and who submit a timely and valid Proof of Claim form. No determination has been made yet of the amount to be distributed.
- By submitting the enclosed Proof of Claim form, you will be submitting a claim to share in the proceeds of the Settlement, unless you request to be excluded from the Settlement.
- The two sides disagree on the amount of money that could have been recovered if the Lead Plaintiff won at trial. Lead Plaintiff estimates that the average recovery under the Settlement is \$0.14 per New Oriental ADS before deduction of Court-awarded attorneys’ fees and expenses.
- In accordance with the fee agreement between Lead Plaintiff and the attorneys who have been appointed to represent the class, the Plaintiffs’ attorneys will ask the Court to award them a fee equal to 19.5% of the Class’s net recovery, plus reimbursement of expenses incurred in prosecuting this lawsuit, including out-of-pocket expenses incurred by Lead Plaintiff, to be paid from the Settlement proceeds, not to exceed \$250,000. If those applications are granted, Lead Plaintiff estimates that the amount of fees and costs will be approximately \$0.11 per ADS.
- The Settlement was reached because it provides significant benefits to Class Members and avoids the costs and risks of continuing the lawsuit against Defendants.
- If you are a member of the Class and the Settlement is approved, your legal rights will be affected whether you act or not. Read this Notice carefully to see what your options are in connection with the Settlement.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT

Submit a Proof of Claim Form (by November 5, 2014)	<p>You must submit a timely and valid Proof of Claim form to share in the proceeds of the Settlement.</p> <p>If this Settlement is approved and you are a member of the Class, you may also be entitled to receive a payment from the Settlement. You must submit a Proof of Claim form to share in the Settlement's proceeds. A copy of the Proof of Claim form is available at www.NewOrientalSecuritiesSettlement.com.</p> <p>If you remain in the Class, you will be bound by the Settlement and will give up any "Released Claims" (as defined below) you may have against the Defendants and other "Defendant Releasees" (as defined below), so it is in your interest to submit a Proof of Claim form.</p>
Exclude Yourself (by September 5, 2014)	<p>If you exclude yourself, you will not get a payment from the Settlement and will not be bound by the Settlement.</p>
Object (by September 5, 2014)	<p>If you do not exclude yourself, but you wish to object to any part of the Settlement, you may write to the Court about your objections.</p>
Attend the Hearing (on September 19, 2014)	<p>If you have submitted a written objection to the Settlement to the Court, you may (but do not have to) attend the hearing about the Settlement and speak to the Court about your objections.</p>

- These rights and options -- **and the deadlines to exercise them** -- are explained in this Notice.
- The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made only if the Court approves the Settlement and that approval is upheld in any appeals. Please be patient.

WHAT THIS NOTICE CONTAINS

BASIC INFORMATION	Page 3
1. Why did I get a Postcard Notice about this case?	
2. What is a class action?	
3. What is this lawsuit about?	
4. What should I do if my address changes, or if this Notice was sent to the wrong address?	
WHO IS IN THE SETTLEMENT CLASS	Page 4
5. How do I know whether I am part of the Settlement?	
6. Are there exceptions to being included?	
7. I am still not sure whether I am included.	
SUMMARY OF THE SETTLEMENT	Page 4
8. How and when was the Settlement reached?	
9. What does the Settlement provide?	
10. What are the reasons for the Settlement?	
11. What is the potential outcome of the lawsuit absent the Settlement?	
THE SETTLEMENT BENEFITS - WHAT YOU GET	Page 5
12. How much will be distributed to investors?	
13. How much will my payment be and what is the Plan of Allocation?	
HOW TO GET A PAYMENT	Page 8
14. What do I have to do to receive a share of the Settlement?	
15. When will I receive my payment?	
16. What am I giving up to get a payment or stay in the Class?	
EXCLUDING YOURSELF FROM THE SETTLEMENT	Page 8
17. What if I want to be excluded from the Settlement?	
18. If I don't exclude myself, can I sue Defendants for the same thing later?	
19. If I exclude myself, can I get money from the Settlement?	

THE LAWYERS REPRESENTING YOU **Page 9**

20. Do I have a lawyer in the case?

21. How will the lawyers be paid?

OBJECTING TO THE SETTLEMENT OR THE ATTORNEYS' FEES **Page 9**

22. How do I tell the Court if I don't like the Settlement?

23. What's the difference between objecting and requesting exclusion?

24. When and where will the Court decide whether to approve the Settlement?

25. Do I have to come to the hearing?

26. May I speak at the hearing?

IF YOU DO NOTHING **Page 11**

27. What happens if I do nothing at all?

GETTING MORE INFORMATION **Page 11**

28. Are there more details about the Settlement?

29. How do I get more information?

BASIC INFORMATION

1. Why did I get a Postcard Notice about this case?

The Court caused a Postcard Notice to be sent to persons and entities who may have purchased or acquired New Oriental ADS between October 19, 2009 and July 17, 2012. The Court caused this Notice to be sent out because, if you purchased or acquired those securities during that period, you have a right to know about the proposed Settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the Settlement.

The purpose of this Notice is to provide you with a Proof of Claim form and information regarding the deadline to submit that form if you wish to receive a payment from the Settlement.

This Notice describes the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of this case is the United States District Court for the Southern District of New York. The case is known as *In re New Oriental Education & Technology Group Securities Litigation*, No. 12-cv-05724 (JGK).

2. What is a class action?

In a class action, one or more plaintiffs, called Lead Plaintiffs or class representatives, sue on behalf of people who have similar claims. All of the individuals and entities on whose behalf the class representatives are suing are known as class members. One court resolves the issues in the case for all class members, except for those who choose to exclude themselves from the class if exclusion is permitted by applicable rules of procedure.

3. What is this lawsuit about?

This lawsuit (the "Action") is a class action alleging violations of the federal securities laws by New Oriental and certain members of its senior management. The Court has appointed Mineworkers' Pension Scheme ("Lead Plaintiff") to serve as Lead Plaintiff in the Action, and has appointed the law firm of Grant & Eisenhofer P.A. to serve as Lead Counsel on behalf of the Class.

The Consolidated Amended Class Action Complaint (the "Complaint"), which was filed in the Action on December 10, 2012, alleges that the Defendants violated the federal securities laws by improperly consolidating the financial results of Beijing New Oriental Education & Technology (Group) Co., Ltd. ("New Oriental China"), a variable interest entity ("VIE") incorporated in the People's Republic of China, in violation of U.S. generally accepted accounting procedures, and that this improper consolidation caused New Oriental's published financial statements for fiscal years 2009, 2010, 2011, and 2012 to be materially false and misleading.

As alleged in the Complaint, on July 17, 2012, New Oriental issued a press release disclosing that the U.S. Securities & Exchange Commission had issued a formal order of investigation as to whether there was a sufficient basis for consolidating the financial results of New Oriental China. On the following day, the research firm Muddy Waters released a report containing additional allegations that New Oriental's VIE accounting was improper.

The Complaint asserts fraud-based claims under the Securities Exchange Act of 1934 ("Exchange Act") against the Defendants. The Complaint alleges that the Defendants knew or should have known in the exercise of due diligence that

consolidating New Oriental China was improper and violated U.S. accounting principles. The Complaint alleges that Defendants made materially false and misleading statements by including New Oriental China's assets, earnings, and liabilities on New Oriental's balance sheet, and that these false and misleading statements caused the price of New Oriental ADS to be artificially inflated, causing investors who purchased such securities during the Class Period to suffer damages.

A number of Defendants moved to dismiss the claims asserted against them. By order dated December 23, 2013, the Court denied these motions to dismiss in large part. While the Court has ruled that certain of Lead Plaintiff's claims should not be dismissed at this stage of the litigation, the Court has made no substantive determination on the merits of the claims against Defendants.

4. What should I do if my address changes, or if this Notice was sent to the wrong address?

If this Notice was sent to you at the wrong address, or if your address changes in the future, please send prompt written notification of your correct address to the Claims Administrator at the following address:

In re New Oriental Education & Technology Group Securities Litigation
c/o Rust Consulting, Inc.
Claims Administrator
P.O. Box 1922
Faribault, MN 55021-1943

WHO IS IN THE SETTLEMENT CLASS

5. How do I know whether I am part of the Settlement?

The Court has preliminarily certified for purposes of the Settlement a class that consists of, subject to certain exceptions identified below, the following individuals and entities:

All persons and entities who purchased or otherwise acquired American Depositary Shares of New Oriental during the period between October 19, 2009 and through and including July 17, 2012, inclusive, and who were damaged thereby.

6. Are there exceptions to being included?

Yes. Even if you fall within the Settlement Class definition, you are not a member of the Settlement Class if you are a Defendant in the Action; if you were a partner, executive officer, director, controlling person, subsidiary, or affiliate of New Oriental or any Defendant during the Class Period; if you are an immediate family member of any Defendant; if you are an entity in which New Oriental or any Defendant has a controlling interest; or if you are a legal representative, heir, predecessor, successor or assign of any of these excluded persons or entities.

7. I am still not sure whether I am included.

If you are still not sure whether you are included, you can ask for help, which will be provided to you at no cost. You can call the Claims Administrator toll free at 1-800-654-8874, or write to the Claims Administrator at the address stated in the answer to Question #4 above.

SUMMARY OF SETTLEMENT

8. How and when was the Settlement reached?

Lead Plaintiff reached an agreement-in-principle with Defendants regarding the Settlement on April 28, 2014. Thereafter, Lead Plaintiffs and Settling Defendants executed a Stipulation and Agreement of Settlement (the "Stipulation") to formalize their agreement.

The Settlement was reached after arm's-length negotiation between Lead Counsel and counsel for Defendants, and only after Lead Counsel had (i) briefed a motion to dismiss and received a Court order largely denying that motion; (ii) conducted a mediation with Defendants; (iii) investigated potential avenues for seeking discovery of documents and persons located in China; (iv) investigated potential avenues for pursuing assets located in China to satisfy a U.S. court judgment; and (v) researched the applicable law with respect to the Class's claims against Defendants and the potential defenses thereto.

9. What does the Settlement provide?

In the Settlement, Defendants agree to cause \$4,500,000 to be paid to the Class (the "Settlement Amount"). The Settlement Amount is to be paid into escrow within ten (10) business days after the Court's preliminary approval of the Settlement.

The Settlement shall become effective when and if each of the following conditions is met: (a) the Court has entered a final judgment approving the Settlement, and (b) any appeals from that judgment have been finally resolved, or the time has expired in which to file such appeals (the “Effective Date”).

If the Settlement is approved by the Court, then as of the Effective Date of the Settlement all members of the Class will be deemed to have released all claims against Defendants that arise out of or relate to the allegations in the Complaint. This means that, upon the Effective Date, all Class Members will be permanently barred from asserting any of the claims described above against Defendants. In addition, upon the Effective Date, Defendants will be precluded from suing the Lead Plaintiff, members of the Class, or Lead Counsel in connection with the Action.

10. What are the reasons for the Settlement?

Lead Plaintiff agreed to the Settlement because of the substantial monetary benefit it will provide to the Class, compared to the risk that recovery might not be achieved after a contested trial. Many of the witnesses and documents relevant to Lead Plaintiff’s claims are located in China, making it more difficult for Lead Plaintiff to gather the evidence needed to prove its case. Even if Lead Plaintiff was successful at trial, Lead Plaintiff’s ability to enforce a judgment against New Oriental is uncertain, given that many of New Oriental’s assets are located in China. Alternatively, Defendants might well appeal the verdict, resulting in further uncertainty and delay.

Defendants agreed to the Settlement to settle and terminate all existing or potential claims against them, to eliminate the risk of a judgment against them, and to avoid the burden and expense of further litigation, without acknowledging any fault or liability.

11. What is the potential outcome of the lawsuit absent the Settlement?

Lead Plaintiff and Defendants do not agree on the average amount of damages per share that would have been recoverable from Defendants if Lead Plaintiff were to have prevailed on each claim asserted. The issues on which the parties disagree include: (1) whether Defendants engaged in conduct that would give rise to liability under the federal securities laws; (2) whether Defendants have valid defenses to any of the claims against them; and (3) the amount, if any, by which the prices of New Oriental ADS were artificially inflated as a result of Defendants’ alleged violations of the federal securities laws.

THE SETTLEMENT BENEFITS – WHAT YOU GET

12. How much will be distributed to investors?

The Settlement will create a cash settlement fund in the aggregate principal amount of \$4,500,000. After deduction of the costs of notice and administration, certain taxes and tax-related expenses, and any attorneys’ fees and expenses that are approved by the Court, the balance of the Settlement Fund, plus accrued interest, will be available for distribution to members of the Settlement Class (the “Net Settlement Amount”). Lead Counsel will request attorneys’ fees of up to 19.5% of the Net Settlement Amount, and reimbursement of expenses (including expenses incurred by Lead Plaintiff). Assuming no other recovery, Lead Counsel estimate that the net amount to be distributed to the Settlement Class will be approximately \$3,600,000.

13. How much will my payment be and what is the Plan of Allocation?

The amounts to be distributed to individual Class Members will depend on a variety of factors, including: the number of other Class Members who submit valid Proof of Claim forms; the number of ADS you purchased; the prices and dates of those purchases; and the prices and dates of any sales of your ADS. The manner of dividing the settlement proceeds has not yet been determined. Depending upon which securities you purchased and the timing of your transactions, you may be entitled to recover for all, none, or only some of the claims asserted in the Complaint.

The amount to be distributed to Class Members on a per share basis will depend on future Court proceedings and factual and legal analysis, and it is therefore not possible to estimate the amount of any such distribution at the present time. After further notice to the Class and an opportunity to be heard, Lead Plaintiff will seek Court approval of a plan of allocation that will govern calculation of Class Members’ individual distributions. Such plan of allocation shall be substantially in the form of the Plan of Allocation of Net Settlement Fund following this paragraph.

PLAN OF ALLOCATION OF NET SETTLEMENT FUND

I. GENERAL PROVISIONS

A. DEFINITIONS:

1. The term “market loss” means the amount by which the actual purchase or acquisition price is greater than the

actual sale or holding price of New Oriental ADS.

2. The term “market profit” means the amount by which the actual purchase or acquisition price is less than the actual sale or holding price of New Oriental ADS.
3. The terms “net market loss” and “net market profit” means any market loss or profit that occurs from the trading of New Oriental ADS during the Class period, as discussed in “Computation of Net Recognized Loss For Each Class Member” below.
4. The term “Recognized Loss,” as used herein, is not market loss or net market loss. Rather, it is a calculation to arrive at a loss figure for purposes of calculating an Authorized Claimant’s *pro rata* participation in the Net Settlement Fund as described below.
5. The term “Net Settlement Fund” means the Settlement Fund less (i) Court awarded attorneys’ fees and expenses; (ii) Notice and Administration Expenses; (iii) any required Taxes; and (iv) any other fees or expenses approved by the Court.
6. Any capitalized terms not defined herein shall have the definitions assigned in the Stipulation and Agreement of Settlement.

B. CLASS DEFINITION

1. The Class includes all persons and entities who purchased or otherwise acquired New Oriental ADS on the New York Stock Exchange between October 19, 2009 and July 17, 2012, inclusive, and who were damaged thereby. The Class does not include:
 - a. Defendants, the officers and directors of New Oriental, members of their immediate families and their legal representatives, heirs, successors, or assigned and any entity in which Defendants have or had a controlling interest; or
 - b. Any person or entity who or which properly excludes himself, herself or itself by filing a valid and timely request for exclusion in accordance with the requirements to be set forth in the Notice.

C. TO RECEIVE A DISTRIBUTION FROM THE NET SETTLEMENT FUND, A CLASS MEMBER MUST:

1. Establish membership in the Class; that is, have purchased New Oriental ADS during the Class Period and have sustained damages as a result of that acquisition;
2. Have a Recognized Loss as calculated by the Claims Administrator;
3. Complete and sign a Proof of Claim form and supply all required documentation; and
4. Submit the completed Proof of Claim form and documentation to the Claims Administrator so that it is postmarked on or before: November 5, 2014.

D. EACH PROOF OF CLAIM FORM MUST SEPARATELY SET FORTH:

1. The claimant’s position in New Oriental ADS as of the close of trading on October 18, 2009, the day before the first day of the Class Period; and
2. Each transaction, *i.e.* purchase or sale of New Oriental ADS, during the Class Period.

II. BASIS FOR RECOGNIZED LOSS FOR CLAIMS

A “Recognized Loss” will be calculated for each purchase or acquisition of New Oriental ADS that occurred during the Class Period, listed in the Proof of Claim Form, and for which adequate documentation is provided.

The Recognized Loss for each claimant’s transactions will be calculated by the Claims Administrator in consultation with Lead Counsel in accordance with the provisions of this Plan of Allocation.

A. COMPUTATION OF RECOGNIZED LOSSES FOR ADS PURCHASES

For purposes of developing the Plan of Allocation, Lead Counsel relied on an expert’s analysis that estimated the amount of Inflation Per ADS in the daily closing market prices for New Oriental ADS for each day of the Class Period based on the allegations of Lead Plaintiff. In computing the Inflation Per ADS, Lead Plaintiff’s expert considered price changes of New

Oriental ADS in reaction to certain public announcements regarding New Oriental and adjusted the price changes in New Oriental ADS for changes that were attributable to market and industry forces.¹

B. USE OF “FIFO” METHODOLOGY FOR COMPUTATION OF RECOGNIZED LOSSES FOR CLASS MEMBERS WHO MADE MULTIPLE TRANSACTIONS IN NEW ORIENTAL ADS DURING THE CLASS PERIOD

For Class Members who made multiple purchases or sales of New Oriental ADS during the Class Period, the earliest subsequent sale shall be matched first against the claimant’s closing position the day before the first day of the Class Period, and then matched chronologically thereafter against each purchase or acquisition made during the Class Period.

C. ACQUISITION BY GIFT, INHERITANCE OR OPERATION OF LAW

If a Class Member acquired New Oriental ADS during the Class Period by way of gift, inheritance or operation of law, such a claim will be computed by using the date and price of the original purchase and not the date and price of transfer.

D. PAYMENTS LESS THAN \$10

A payment to a Class Member that would amount to less than \$10.00 in total will not be included in the calculation of the Net Settlement Fund, and no payment to these Class Members will be distributed.

III. CALCULATION OF RECOGNIZED LOSS PER ADS

A. PRE-CLASS PERIOD HOLDINGS OF NEW ORIENTAL ADS

For each ADS of New Oriental purchased prior to the commencement of the Class Period, and:

- (a) Sold during the Class Period, the Recognized Gain Per ADS is the lesser of: (i) the holding price of \$20.04 per ADS (the closing price of New Oriental ADS on October 16, 2009) (“Beginning Holding Price”) minus the sale price; or (ii) the Inflation Per ADS on the date of sale shown in attached Exhibit A;

B. PURCHASES OF NEW ORIENTAL ADSs

For each ADS of New Oriental purchased during the Class Period, and:

- (a) Sold on or before the close of trading on July 17, 2012, the Recognized Loss (Gain) Per ADS is the lesser of: (i) the purchase price minus the sale price; or (ii) the Inflation Per ADS on the date of purchase shown in attached Exhibit A minus the Inflation Per ADS on the date of sale shown in the attached Exhibit A;
- (b) Still held as of the close of business on July 17, 2012, the Recognized Loss (Gain) Per ADS is the lesser of: (i) the purchase price minus the PSLRA price on the date of sale (or on October 17, 2012 if not sold as of October 17, 2012) as shown in attached Exhibit B;² or (ii) the Inflation Per ADS on the date of purchase shown in attached Exhibit A.

IV. COMPUTATION OF NET RECOGNIZED LOSS FOR EACH CLASS MEMBER

The Recognized Loss with respect to a purchase or acquisition of New Oriental ADS is calculated by multiplying the number of ADSs by the appropriate Recognized Loss Per ADS, as set forth above. The Net Recognized Loss (Gain) equals the sum of all Recognized Losses and all Recognized Gains for all transactions in New Oriental ADSs.

IF, DURING THE CLASS PERIOD, A CLASS MEMBER MADE A NET RECOGNIZED GAIN ON HIS, HER OR ITS TRANSACTIONS IN NEW ORIENTAL ADS, THE AMOUNT OF THE CLASS MEMBER’S CLAIM SHALL BE ZERO.

NOTE: ALL MARKET PROFITS SHALL BE SUBTRACTED FROM ALL MARKET LOSSES ON ALL TRANSACTIONS IN NEW ORIENTAL ADS DURING THE CLASS PERIOD TO DETERMINE THE NET MARKET LOSS OF EACH CLASS MEMBER.

For purposes of determining whether a claimant had a net market profit or suffered a net market loss from his, her or its overall transactions in New Oriental ADS during the Class Period, the Claims Administrator shall: (i) total the amount paid (excluding commissions and other charges) for New Oriental ADS purchased during the Class Period by the claimant

¹ Effective August 18, 2011, New Oriental changed the ratio of its ADS to common shares from one ADS representing four common shares to one ADS representing one common share. To give effect to this change in the Plan, all shares held as of the day before the first day of the Class Period and all shares purchased and sold during the Class Period through August 18, 2011 will be multiplied by 4 and all prices paid/received on such transactions will be divided by 4. The Beginning Holding Value ascribed later in this Plan already reflects this change.

² The PSLRA limits damages to the purchase price less the average closing price from the dissemination of the corrective information through the date of sale (up to 90 days).

(the "Total Purchase Amount"); (ii) total the amount received (excluding commissions and other charges) for sales of New Oriental ADS sold during the Class Period (the "Sales Proceeds"); (iii) assign the Beginning Holding Price of \$20.04 per share for New Oriental ADSs sold during the Class Period matched against the claimant's opening position in New Oriental ADS ("Beginning Holding Value"); and (iv) assign the holding price of \$12.91 per share for New Oriental ADS (the closing price of New Oriental ADS on July 20, 2012) for New Oriental ADS purchased or acquired during the Class Period and still held at the end of the Class Period ("Ending Holding Value"). The Beginning Holding Value plus the Total Purchase Amount less the Sales Proceeds and less the Ending Holding Value will be deemed a Claimant's net market profit or net market loss (a profit occurs if a negative number is calculated) on his, her or its overall transactions in New Oriental ADS during the Class Period.

IF, DURING THE CLASS PERIOD, A CLASS MEMBER MADE A NET MARKET PROFIT IN HIS, HER OR ITS TRANSACTIONS IN NEW ORIENTAL ADS, THE AMOUNT OF THE CLASS MEMBER'S CLAIM SHALL BE ZERO.

IF, DURING THE CLASS PERIOD, A CLASS MEMBER HAS A NET MARKET LOSS IN HIS, HER OR ITS TRADING IN NEW ORIENTAL ADS THAT IS LESS THAN HIS, HER OR ITS NET RECOGNIZED LOSS, THE CLASS MEMBER'S CLAIM SHALL BE LIMITED TO THE CLASS MEMBER'S NET MARKET LOSS.

V. DISTRIBUTION OF THE NET SETTLEMENT FUND

The Net Recognized Loss will be used for calculating the relative amount of participation by Authorized Claimants in the Net Settlement Fund and does *not* reflect the actual amount an Authorized Claimant can expect to recover from the Net Settlement Fund. The Net Recognized Losses of all Authorized Claimants may be greater than the Net Settlement Fund. In such event, each Authorized Claimant shall receive his, her or its *pro rata* share of the Net Settlement Fund, which shall be his, her or its Net Recognized Loss divided by the total of all Net Recognized Losses, multiplied by the total amount in the Net Settlement Fund.

HOW TO GET A PAYMENT

14. What do I have to do to receive a share of the Settlement?

To qualify for a settlement payment from the proceeds of the Settlement, you **must** send in a Proof of Claim form. A Proof of Claim form is attached to this Notice. You also may get a Proof of Claim form on the Internet at www.NewOrientalSecuritiesSettlement.com, or by calling the Claims Administrator. Read the instructions carefully, fill out the form, include all the documents the form asks for, sign the form, and mail it postmarked no later than November 5, 2014.

NOTICE TO INSTITUTIONAL FILERS. Institutions who file claims with 100 or more transactions, or who file claims on behalf of 20 or more different accounts, must submit their claims electronically, in the required filing format. Proper filing of claims electronically includes the submission of a manually signed paper (master) Proof of Claim form along with the electronically submitted data. Electronically submitted data must be submitted in the required file layout. To obtain the required file layout and details of the electronic filing requirements, you may visit the website at www.NewOrientalSecuritiesSettlement.com. The electronic file must be in accordance with the electronic filing format and include all purchase and sale transactions as well as beginning and unsold holdings as required in the Proof of Claim form. Any file not in accordance with the required electronic filing format will be rejected. No electronic files will be considered to have been properly submitted unless the Claims Administrator issues a written acknowledgement of receipt and acceptance of electronically submitted data.

15. When will I receive my payment?

Lead Plaintiff does not anticipate being able to distribute the settlement proceeds to members of the Class for at least 9 months from now. Distribution may be delayed in the interest of the Class in order to minimize the number and cost of distributions during the course of the Action.

Any settlement payments from the Settlement proceeds are also contingent upon the Court approving the Settlement and on such approval becoming final and no longer subject to any appeals.

The Net Settlement Amount will be kept in an interest-bearing account until it is ready for distribution, and the accrued interest will be added to the principal that will be distributed to the Settlement Class.

16. What am I giving up to get a payment or stay in the Class?

If you remain a member of the Class and do not exclude yourself, you will be bound by all orders, judgments and releases entered by the Court regarding the Settlement. If the Settlement is approved, you will not be able to sue, continue to sue,

or be part of any other lawsuit involving any claims released in the Settlement. You will be bound by the releases whether or not you submit a Proof of Claim and/or receive a payment under the Settlement.

EXCLUDING YOURSELF FROM THE SETTLEMENT

17. What if I want to be excluded from the Settlement?

To exclude yourself from the Settlement, you must send a letter by mail to the Claims Administrator saying that you want to be excluded from *In re New Oriental Education & Technology Group Securities Litigation*. Be sure to include your name, address, telephone number; your Social Security Number or Taxpayer Identification Number; a list stating the number of New Oriental ADS purchased and sold between October 19, 2009 and July 17, 2012, and the dates of each purchase and sale; as well as your signature. Mail your exclusion request postmarked no later than September 5, 2014, to:

In re New Oriental Education & Technology Group Securities Litigation
c/o Rust Consulting, Inc.
Claims Administrator
P.O. Box 1922
Faribault, MN 55021-1943

If you request exclusion on behalf of any person or entity other than yourself (such as, for example, a trust, a minor, or a pension fund), you also must state the basis of your legal authority to make a request for exclusion on behalf of that person or entity.

You cannot exclude yourself on the phone or by e-mail. If you do not follow the above procedures – including meeting the postmark deadline – you will not be excluded from the Class, and you will be bound by all of the orders and judgments entered by the Court regarding the Settlement. You must exclude yourself even if you already have a pending case against Defendants based on the claims being released.

If you ask to be excluded, you will not get any payment from the Settlement, you cannot object to the Settlement, and you will not be legally bound by anything that happens in this lawsuit. You might be able to sue Defendants in the future.

18. If I don't exclude myself, can I sue Defendants for the same thing later?

No. Unless you exclude yourself, you give up any right to sue Defendants for the claims that the Settlement resolves. If you have a pending lawsuit, speak to your lawyer in that case immediately. You must exclude yourself from *this* Class to continue your own lawsuit.

19. If I exclude myself, can I get money from the Settlement?

No. Only Class Members who do not exclude themselves will be eligible to recover money in the Settlement.

THE LAWYERS REPRESENTING YOU

20. Do I have a lawyer in this case?

The Court has appointed the law firm of Grant & Eisenhofer P.A. as Lead Counsel to represent Lead Plaintiff and all other Settlement Class Members in the Action. If you have any questions about the proposed Settlement, you may contact Lead Counsel as follows: Daniel L. Berger, Grant & Eisenhofer P.A., 485 Lexington Avenue, 29th Floor, New York, NY 10017.

If you want to be represented by your own lawyer, you may hire one at your own expense.

21. How will the lawyers be paid?

You will not be charged directly for the fees or expenses of the Lead Counsel appointed by the Court. Instead, those lawyers may apply to the Court for payment of fees and expenses out of the proceeds of any recoveries achieved in the Action.

When this case began, Lead Plaintiff negotiated a fee agreement with Lead Counsel which permits Lead Counsel to apply for fees of up to 19.5% of any recovery achieved by the Class plus out of pocket expenses. For the Settlement, Lead Counsel intends to request a fee of 19.5% of the net recovery to the Class, plus reimbursement of out-of-pocket expenses. The fees would pay the lawyers for investigating the facts, actively litigating the case for more than a year, and negotiating the Settlement.

OBJECTING TO THE SETTLEMENT OR THE ATTORNEYS' FEES

22. How do I tell the Court that I don't like the Settlement?

If you are member of the Class and you do not exclude yourself, you can object to the Settlement or any part of it, including Lead Counsel's application for attorneys' fees, and give reasons why you think the Court should not approve it. To object, you must send a letter or other filing saying that you object to the proposed Settlement and/or the attorneys' fee application in *In re New Oriental Education & Technology Group Securities Litigation*, Case No. 12-cv-05724 (JGK). Be sure to include your name, address, telephone number, signature, and the reasons for your objection, as well as a list of your purchases and sales of New Oriental ADS made during the Class Period, including the dates, the number of securities purchased or sold, the price(s) paid or received per security for each such purchase or sale, and whether you continue to hold the securities at the time your objection is submitted. Your written objection must be sent to the following counsel no later than September 5, 2014:

Defendants' Counsel:

Scott D. Musoff, Esq.
SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
Four Times Square
New York, NY 10036

Lead Counsel:

Daniel L. Berger, Esq.
GRANT & EISENHOFER P.A.
485 Lexington Avenue
29th Floor
New York, NY 10017

You must **also** file your objection with the clerk of the United States District Court for the Southern District of New York, so it is received no later than September 5, 2014. The address is:

Clerk of the U.S. District Court for the Southern District of New York
Daniel Patrick Moynihan United States Courthouse
500 Pearl Street
New York, NY 10007-1312

Any member of the Class who does not object in the manner provided above will be deemed to have waived all objections to the Settlement and to Lead Counsel's application for attorneys' fees.

23. What's the difference between objecting and requesting exclusion?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you are a Class Member, and have not requested exclusion.

Excluding yourself is telling the Court that you do not want to be part of the Class for purposes of the Settlement. If you exclude yourself, you have no basis to object, because the case no longer affects you. If you do not exclude yourself, you will be bound by the Settlement and all orders and judgments entered by the Court regarding the Settlement, regardless of whether the Court accepts or denies your objection.

24. When and where will the Court decide whether to approve the Settlement?

The Court has scheduled a hearing on the proposed Settlement for September 19, 2014 at 2:30 p.m., before the Honorable John G. Koeltl in the U.S. District Court for the Southern District of New York, United States Courthouse, 500 Pearl Street, New York, NY, 10007. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate, and will consider Lead Counsel's application for attorneys' fees. If there are objections, the Court will consider them. At or after the hearing, the Court will decide whether to approve the Settlement.

Please note that the date of the Court hearing is subject to change without further notice. If you plan to attend the hearing, you should check with Lead Counsel to be sure no change to the date and time of the hearing has been made.

25. Do I have to come to the hearing?

No. Lead Counsel will answer any questions the Court might have. But you are welcome to come at your own expense. If you send an objection, you do not have to come to the Court to talk about it. As long as you mailed your written objection so it was received by the deadline, it will be before the Court when the Court considers whether to approve the Settlement.

You may also pay your own lawyer to attend the hearing, but attendance is not necessary.

26. May I speak at the hearing?

If you are a Class Member who has not asked to be excluded from the Class, you may ask the Court for permission to speak at the hearing. To do so, you must send a letter or other paper called a “Notice of Intention to Appear at Fairness Hearing in *In re New Oriental Education & Technology Group Securities Litigation*” Be sure to include your name, address, telephone number, and your signature. Your Notice of Intention to Appear must be filed with the Clerk of the Court and sent to the counsel listed above in the answer to Question #22 so it is received by the Court and counsel no later than September 5, 2014. You cannot speak at the hearing if you have asked to be excluded from the Class.

IF YOU DO NOTHING

27. What happens if I do nothing at all?

If you do nothing in response to this Notice, you will remain a member of the Class and will be bound by the Settlement. You will not be able to start, continue, or be part of any other lawsuit or arbitration against Defendants based on the claims in the Action. If you do not submit a Proof of Claim, you will not receive a payment from the Settlement.

GETTING MORE INFORMATION

28. Are there more details about the Settlement?

This Notice contains only a summary of the proposed Settlement. The complete Settlement is set out in a Stipulation and Agreement of Settlement dated May 23, 2014. You may request a copy of the Stipulation in writing to *In re New Oriental Education & Technology Group Securities Litigation*, c/o Rust Consulting, Inc., Claims Administrator, P.O. Box 1922, Faribault, MN 55021-1943. There may be a charge for copying and mailing the Stipulation. Copies of the Stipulation may be obtained for free at www.NewOrientalSecuritiesSettlement.com.

29. How do I get more information?

You can also call the Claims Administrator toll free at 1-800-654-8874, write to the Claims Administrator at the above address, or visit the website at www.NewOrientalSecuritiesSettlement.com, where you will find a copy of the Stipulation, the Complaint, and certain other documents relating to the Action and the Settlement. Anyone interested in more detail regarding the Action is invited to visit the Office of the Clerk of the United States District Court for the Southern District of New York at the United States Courthouse, 500 Pearl Street, New York, NY, 10007, during regular business hours, to inspect the Stipulation, the pleadings, and the other papers maintained there in Case No. 12-cv-05724-JGK.

Dated: July 8, 2014

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

EXHIBIT A
NEW ORIENTAL
INFLATION PER ADS

Start Date	End Date	Inflation Per ADS (\$)
10/19/2009	10/19/2009	3.02
10/20/2009	1/18/2010	3.35
1/19/2010	4/19/2010	3.47
4/20/2010	7/18/2010	3.71
7/19/2010	10/17/2010	3.99
10/18/2010	1/17/2011	4.44
1/18/2011	4/26/2011	4.79
4/27/2011	7/17/2011	5.24
7/18/2011	10/17/2011	5.77
10/18/2011	1/16/2012	6.59
1/17/2012	4/16/2012	6.96
4/17/2012	7/16/2012	7.40
7/17/2012	7/17/2012	3.35
7/18/2012		0.00

EXHIBIT B
NEW ORIENTAL ADS
PSLRA PRICES

Date	PSLRA Price Per ADS (\$)	Date	PSLRA Price Per ADS (\$)
7/18/2012	9.50	9/6/2012	12.92
7/19/2012	11.20	9/7/2012	12.97
7/20/2012	12.91	9/10/2012	13.01
7/23/2012	12.55	9/11/2012	13.05
7/24/2012	12.47	9/12/2012	13.09
7/25/2012	12.22	9/13/2012	13.13
7/26/2012	12.12	9/14/2012	13.17
7/27/2012	12.09	9/17/2012	13.19
7/30/2012	11.92	9/18/2012	13.22
7/31/2012	11.86	9/19/2012	13.25
8/1/2012	11.79	9/20/2012	13.26
8/2/2012	11.78	9/21/2012	13.30
8/3/2012	11.74	9/24/2012	13.33
8/6/2012	11.76	9/25/2012	13.35
8/7/2012	11.78	9/26/2012	13.37
8/8/2012	11.79	9/27/2012	13.42
8/9/2012	11.81	9/28/2012	13.48
8/10/2012	11.87	10/1/2012	13.54
8/13/2012	11.96	10/2/2012	13.60
8/14/2012	12.06	10/3/2012	13.66
8/15/2012	12.14	10/4/2012	13.71
8/16/2012	12.23	10/5/2012	13.76
8/17/2012	12.31	10/8/2012	13.81
8/20/2012	12.39	10/9/2012	13.86
8/21/2012	12.48	10/10/2012	13.91
8/22/2012	12.57	10/11/2012	13.98
8/23/2012	12.64	10/12/2012	14.03
8/24/2012	12.70	10/15/2012	14.10
8/27/2012	12.74	10/16/2012	14.16
8/28/2012	12.77	10/17/2012	14.21
8/29/2012	12.79		
8/30/2012	12.81		
8/31/2012	12.85		
9/4/2012	12.86		
9/5/2012	12.89		

